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December 13, 2012

VIA ELECTRONIC FILING and OVERNIGHT MAIL DELIVERED
CONFIDENTIAL VERSION

Mrs. Jocelyn Boyd
Chief Clerk / Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29211

Re: Request for Approval of Affiliate Agreement
Docket No. 2011-158-E

Dear Mrs. Boyd:

Pursuant to Section III of the Regulatory Conditions approved by the Commission in its Order approving the Merger of Duke Energy Corporation and Progress Energy, Inc. in Docket No. 2011-158-E, Duke Energy Carolinas, LLC ("DEC") and Progress Energy Carolinas, Inc. ("PEC") submit for filing and approval the Asset Management and Supply Agreement ("AMA") and related attachments between DEC and PEC. Attachments C and D contain proprietary and commercially sensitive information that if disclosed, could harm DEC and PEC's position in the competitive market. As such, attachments C and D have been marked "CONFIDENTIAL." DEC and PEC respectfully requests that it be permitted to file CONFIDENTIAL Attachments C and D under seal and that these attachments be maintained as confidential pursuant to Order No. 2005-2006, "ORDER REQUIRING DESIGNATION OF CONFIDENTIAL MATERIALS" and 26 S.C. Code Ann. Regs. 103-804(S)(2)(Supp. 2010).

The proposed AMA is an agreement between DEC and PEC in which DEC will become the asset manager for all gas supply and gas capacity for both DEC and PEC. Having an asset manager will facilitate efficiency and flexibility in the management of the gas assets and resources for the benefit of the retail and wholesale customers in South Carolina and North Carolina. This proposed AMA will provide DEC and PEC the opportunity to achieve the fuel savings related to the sharing of gas capacity as contemplated by the merger. Charges to and from DEC and PEC under the proposed AMA shall be in accordance with the Regulatory Conditions and Code of Conduct approved in the merger docket.

Jocelyn G. Boyd
Chief Clerk/Administrator
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Pursuant to Section 3.1 of the Regulatory Conditions, DEC and PEC are required to provide the Office of Regulatory Staff informal review of the proposed affiliate agreement at least ten (10) days before filing it with the Commission. DEC and PEC have fulfilled this obligation.

Included in this filing are:

1. The proposed AMA
2. Attachment A - PEC Released Transportation, Storage or other Capacity
3. Attachment B - DEC, Transportation, Storage or other Capacity
4. Attachment C – DEC Executed NAESBs (CONFIDENTIAL and redacted)
5. Attachment D – PEC Supply to be assigned to DEC (CONFIDENTIAL and redacted)
6. Attachment E – Supply Transportation Cost Allocation Methodology

Based on the foregoing, DEC and PEC respectfully ask the Commission to grant their request for confidential treatment of Attachments C and D and that it allow them to operate under the proposed AMA.

Sincerely,



Timika Shafeek-Horton
Deputy General Counsel

TSH:bml

Copy : Courtney Edward, ORS (w/encl.)
Shannon Hudson, ORS (w/encl.)
Parties of Record (served by email)

ASSET MANAGEMENT AND DELIVERED SUPPLY AGREEMENT

This Asset Management and Delivered Supply Agreement (“Agreement”) is entered into this __ day of ____, 2012, by and between Duke Energy Carolinas, LLC (“DEC”) and Carolina Power & Light Company, d/b/a/ Progress Energy Carolinas, Inc. (“PEC”) (each referred to herein, individually as a “Party” and/or collectively as the “Parties”). Notwithstanding the execution date of this Agreement, the Effective Date of this Agreement will be as set forth in Section 7 of this Agreement following acceptance of this Agreement by the North Carolina Utilities Commission (“NCUC”) and the Public Service Commission of South Carolina (“PSCSC”).

WHEREAS, DEC and PEC are public utilities providing electric service to their native load retail customers and wholesale customers in the States of North Carolina and South Carolina pursuant to the laws and regulations of those States and the regulatory oversight of the NCUC and the PSCSC, as well as the applicable regulatory oversight of the Federal Energy Regulatory Commission (“FERC”);

WHEREAS, DEC and PEC each operate certain gas-fired electric generation facilities at various locations in North Carolina and South Carolina;

WHEREAS, DEC and PEC each subscribe to certain interstate transportation, storage, and related services from various interstate natural gas pipeline companies, and are parties to certain natural gas supply agreements and capacity arrangements with various suppliers, both to provide fuel to their gas-fired electric generation facilities;

WHEREAS, On July 2, 2012, the merger between Duke Energy Corporation and Progress Energy, Inc., closed, and DEC and PEC are now affiliates;

WHEREAS, DEC and PEC now have common management of their respective natural gas supply and capacity rights and this will facilitate efficiency and flexibility in the management of such assets and resources for the benefit of their respective retail and wholesale customers in North and South Carolina; and,

WHEREAS, DEC and PEC desire to facilitate such common management of their respective natural gas supply and capacity rights for the purpose of reducing the cost of providing power supply services to meet both DEC's and PEC's service obligations and the requirements of their underlying customers in compliance with applicable statutes, rules, regulations, and obligations placed upon DEC and PEC by the NCUC, the PSCSC, and the FERC.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants set forth herein, and intending to be bound thereby, DEC and PEC agree as follows:

1. **Asset Management Arrangement.** The purpose of the transactions and obligations set forth herein is to facilitate the coordination and optimization of capacity and supply rights owned by PEC and DEC to reduce the cost of providing electric service to both PEC's and DEC's native load customers. As set forth in Section 7 hereof, performance obligations under this Agreement shall begin after the NCUC and PSCSC accept this Agreement, on a date administratively feasible and mutually acceptable to the Parties. DEC and PEC agree and acknowledge that each is obligated to, and shall, take all actions necessary and appropriate to fulfill the obligations and duties set forth herein, for the purpose of meeting all applicable statutory and regulatory obligations.

As of the Effective Date hereof (as set forth in Section 7) and subject to the terms and conditions set forth herein, DEC, through its own employees, will serve as Asset Manager and PEC will release to DEC, in its role as Asset Manager, each of the firm interstate natural gas transportation, storage or other interstate pipeline service agreements identified on Attachment A hereto. Such release(s) shall be effectuated by means of a prearranged, non-biddable, zero-rate release transaction conducted on the Electronic Bulletin Board system of the pipeline providing such service. Each such release shall be undertaken in compliance with all applicable requirements of FERC, specifically including, without limitation, the requirements of 18 C.F.R. § 284.8, as well as all applicable pipeline tariffs.

The Parties intend that the release transactions contemplated by this Agreement (both, individually and in the aggregate) constitute a “release to an asset manager” as described by 18 C.F.R. §284.8(h)(3) and FERC Order Nos. 712, 712-A, and 712-B.¹ Accordingly, and in accordance with the requirements established by FERC orders and regulations, PEC shall have the right, on each day during the Term (as set forth in Section 7) hereof, to call upon DEC to deliver to PEC quantities of natural gas in an amount equal to 100% of the daily capacity of each of the contract identified in Attachment A hereto. Also as of the Effective Date of this Agreement and subject to the terms hereof, PEC shall assign to DEC each of PEC’s natural gas supply agreements that have been jointly identified by DEC and PEC and listed on Attachment D as being necessary to the performance of this Agreement and all of PEC’s rights thereunder.

¹ Order No. 712, *Promotion of a More Efficient Capacity Release Market*, FERC Stats. & Regs. (Regulation Preambles) ¶ 31,271, *order on reh’g*, Order No. 712-A, FERC Stats. & Regs. (Regulation Preambles) ¶ 31,284 (2008), *order on reh’g and clarification and terminating dockets*, Order No. 712-B, 127 FERC ¶ 61,051 (2009).

On any day when the transportation, storage, and/or supply assets belonging to PEC are not needed to serve PEC, DEC may utilize such assets either to serve its own needs or to make third-party sales of transportation, storage, and/or natural gas, whichever is of the most benefit to the native load customers of both DEC and PEC. On any day when the transportation, storage, and/or supply assets belonging to DEC are not needed to serve DEC, DEC may utilize such assets either to serve PEC's needs or to make third-party sales of transportation, storage, and/or natural gas, whichever is of the most benefit to the native load customers of both DEC and PEC. Any such transactions shall be structured to comply with applicable state and federal regulations and policies, including the shipper must have title requirement and the prohibition on buy/sell transactions.

2. **Delivered Supply Agreement.** In addition to the rights of PEC to call upon DEC to make deliveries of natural gas as provided in Section 1 above, and subject to all applicable pipeline tariffs and/or operating requirements, PEC shall also have the right to call upon DEC to deliver to PEC, in the aggregate, up to the amount of dekatherms per day of incremental natural gas supplies at the interstate pipeline delivery points serving PEC's gas-fired generation facilities necessary to meet PEC's gas requirements.

3. **Asset Manager Obligations.** Subject to the purpose of this Agreement set forth in Section 1 above, as Asset Manager, DEC has the obligation to choose the combination of supply and capacity assets through which it will make deliveries to PEC in accordance with Sections 1 and 2 above and the requirements of the underlying supply and capacity arrangements; *provided, further*, that DEC shall at all times comply with

applicable FERC requirements (including, without limitation, the “Shipper Must Have Title Rule”) with respect to all such deliveries. Title to all gas delivered hereunder by DEC to PEC at interstate pipeline delivery points serving PEC’s gas-fired generation facilities shall transfer to PEC at such point. In addition, DEC has the obligation to manage both its own supply and capacity assets and PEC’s supply and capacity assets to produce the lowest cost supplies and capacity assets for the native load customers of both DEC and PEC.

4. **Cost Responsibility.** As provided in Section 1 above, each release of transportation, storage, or other pipeline service capacity by PEC to DEC shall be made at no cost to DEC through utilization of a zero-rate release. Accordingly, PEC shall remain liable for all interstate pipeline fixed and variable demand charges associated with the interstate transportation and storage capacity released to DEC pursuant to Section 1 above as identified on Attachment A. DEC shall remain liable for all interstate pipeline fixed and variable demand charges associated with the interstate transportation and storage capacity as identified on Attachment B. Such costs shall be allocated with respect to deliveries made to PEC delivery points pursuant to Sections 1 and 2 above based on the cost allocation methodologies set forth in Attachment E. The allocation of costs for both PEC and DEC for fixed and variable transportation costs associated with all firm and interruptible interstate transportation and storage capacity in Attachment A, all interstate interruptible transportation costs as applicable, LDC firm and interruptible transportation costs, natural gas supply agreement costs as applicable, imbalance settlement costs as applicable, and credits for third-party sales of gas supply or capacity,

shall be made pursuant to the standards and methodologies set forth on Attachment E hereto.

5. **Nomination and Scheduling.** PEC and DEC agree to work together to develop reasonable scheduling and nomination procedures sufficient to allow DEC to provide the daily gas requirements to PEC in a manner that reduces costs to both.

6. **Conditions Precedent.** Neither this Agreement nor the obligations set forth herein shall be effective or binding on the Parties until acceptance of this Agreement, without material modification as determined in each of PEC's and Dec's sole discretion, by the NCUC and PSCSC. These conditions precedent to the effectiveness of this Agreement may not be waived.

7. **Term.** This Agreement, as well as the release, assignment, and delivery obligations set forth herein, shall be effective as of the first day of the month designated by mutual agreement of the Parties (such date, the "Effective Date") which shall occur after: (a) acceptance of this Agreement without material modification by the NCUC or the PSCSC, (b) assignment by PEC to DEC of sufficient natural gas supply agreements identified by the Parties as necessary to effectuate this Agreement; and, (c) release by PEC to DEC of the firm transportation and storage agreements identified in Attachment A hereto. This Agreement shall continue in full force and effect for a period of five (5) years following the Effective Date unless sooner terminated by written agreement of the Parties or as provided below. Upon the expiration of the initial term set forth above, or any subsequent renewal terms, this Agreement shall automatically renew for successive one (1) year renewal terms. Either Party may terminate this Agreement during the initial term or any renewal term upon the provision of six (6) months prior written notice to the

other Party. The initial term and any successive renewal term(s) shall collectively constitute the "Term" hereof.

8. Default and Termination. The following shall constitute an event of material default hereunder:

- (a) The failure of a Party to abide by its material obligations hereunder;
- (b) The filing of any petition or the commencement of any action in bankruptcy court, whether voluntary or involuntary, asserting that a Party is insolvent;
- (c) The general assignment of assets for the benefit of creditors;
- (d) The appointment of any receiver, liquidator, or administrator of the affairs or a substantial portion of the assets of a Party;
- (e) The failure of a Party to pay its debts as they become due; or,
- (f) The breach of any representations or warranties set forth herein.

Upon the occurrence of any such event of default, the non-defaulting Party may, upon not less than thirty (30) days written notice to the defaulting Party, terminate this Agreement; provided, however, that such termination shall not be effective if the event of default has been cured within a sixty-day (60-day) period or if the event of default is subject to a good faith dispute as provided for in Section 9 hereof.

Notwithstanding the foregoing or anything else to the contrary herein, each Party agrees that this Agreement may be terminated at any time upon the mutual agreement of both Parties, or upon a Party providing not less than thirty (30) days written notice to the other Party of its intent to terminate this agreement pursuant to Section 17 hereof.

9. **Dispute Resolution.** In the event of a good faith dispute between the Parties with respect to the performance of their respective obligations hereunder, DEC and PEC agree as follows: (a) to the extent such dispute cannot be amicably resolved by the operational personnel engaged in the administration of this Agreement, notice of and a reasonable explanation of the details of the dispute shall be provided by the complaining Party to each of the individuals designated to receive notices hereunder as provided in Section 10 hereof; (b) within ten (10) days after receipt of such notice, the personnel from DEC and PEC with direct supervisory responsibility for the operational personnel involved in the dispute shall meet and attempt to resolve the dispute; (c) in the event such management personnel are unable to resolve such dispute within fifteen (15) days of such meeting, the matter will be referred to the respective corporate officers of DEC and PEC with responsibility for the functions subject to dispute who shall meet and resolve such dispute. In the event such dispute cannot be resolved by said corporate officers of DEC and PEC, either Party may pursue additional mechanisms for resolution of the dispute as may be permitted by law.

10. **Notice.** Notice of any matter related to the obligations of the Parties hereunder, other than the nomination and scheduling activities discussed in Section 5 (which shall be governed by the terms thereof), shall be sufficient if it is made in writing and delivered to the following representatives of the Parties through physical delivery (in whatever form so made), facsimile transmission, or electronic mail; provided that such notice shall not be effective until actually received by the office of such representative:

Duke Energy Carolinas, LLC:

Alexander J. Weintraub
526 S. Church Street
Charlotte, NC 28202

Progress Energy Carolinas, Inc.:

Brett Phipps
526 S. Church Street
Charlotte, NC 28202

11. **Taxes.** DEC and PEC shall each be responsible for and shall pay, or cause to be paid, any and all taxes that are the responsibility or liability of each applicable Party.

12. **Reassignment Rights and Termination.** PEC may demand, and DEC agrees to facilitate the immediate and expeditious reassignment of the supply agreements and the re-release of any transportation and storage capacity transferred to DEC hereunder upon PEC's request, made in PEC's sole discretion pursuant to Section 17(a) of this Agreement.

Upon the termination of this Agreement for any reason, the transportation and storage capacity and supply rights transferred to DEC hereunder, as specified in Attachment A and agreed to by the Parties, shall be transferred back to PEC, at no cost to PEC, as of the effective date of the termination hereof. Any disparity in inventory levels of natural gas in storage between the date of release of the underlying storage capacity and the date of transfer back to PEC shall be resolved between the Parties, either in kind or monetarily as the Parties may agree, on a revenue neutral basis.

13. **Governing Law and Jurisdiction.** The Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without giving effect to the choice-of-law rules that may require the application of the laws of another jurisdiction and to the extent applicable by the Federal Law of the United States of America. To the extent that FERC does not assert jurisdiction over any action arising out of, resulting from, or in any way relating to, this Agreement, any judicial action, suit, or proceedings arising out of, resulting from, or in any way relating to, this Agreement, or any alleged breach or default under the same or the warranties and representations contained in the same, shall be brought solely in the North Carolina General Court of Justice or such other court or forum as the Parties may mutually agree upon.

14. **Amendments.** No amendment regarding this Agreement shall be effective unless executed in writing by DEC and PEC. No waiver or consent regarding this Agreement shall be effective unless executed in writing by the Party providing such waiver or consent.

15. **Assignment.** Neither Party shall assign this Agreement or the rights hereunder without having first obtained the written consent of the other Party, provided, however, that either Party may assign this Agreement to an affiliate or successor entity without first obtaining such written consent to the extent permitted by law. Any assignment must be approved by the NCUC.

16. **Regulatory Acceptance and Compliance.** This Agreement and the Parties' respective obligations hereunder are expressly subject to and contingent upon acceptance by the NCUC and PSCSC. The Parties agree to cooperate in good faith to obtain acceptance and to take all reasonably necessary actions required to that end. The

Parties further agree to execute their respective obligations hereunder in compliance with all applicable laws, rules, and regulations of state and federal regulatory authorities having jurisdiction over the Parties or the subject of this Agreement. This Agreement (or any part thereof) shall not be binding on the Parties to the extent it is determined to be in violation of or non-compliance with any such law, rule, or regulation.

17. **Regulatory Conditions.** To the extent applicable hereunder, the Parties' rights and obligations shall be subject to the following previously established regulatory conditions applicable to affiliate contractual arrangements between DEC and PEC:

(a) DEC's and PEC's participation in this Agreement is voluntary, DEC or PEC may elect to discontinue its participation in this Agreement at its election after giving required notice;

(b) DEC or PEC may not make or incur a charge under the agreement except in accordance with North and South Carolina law and the rules, regulations and orders of the Commission promulgated thereunder;

(c) DEC or PEC may not seek to reflect in rates any (i) costs incurred under the agreement exceeding the amount allowed by the NCUC and the PSCSC or (ii) revenue level earned under the agreement less than the amount imputed by the NCUC or the PSCSC; and

(d) Neither DEC nor PEC shall assert in any forum – whether judicial, administrative, federal, state, local or otherwise – either on its own initiative or in support of another entity's assertions, that the NCUC or PSCSC's authority to assign, allocate, impute, make pro-forma adjustments to, or disallow revenues and costs for retail ratemaking and regulatory accounting and reporting purposes is, in whole or in part, (i)

preempted by Federal Law or (ii) not within the NCUC or PSCSC's power, authority or jurisdiction; DEC and PEC will bear the full risk of any preemptive effects of Federal Law with respect to this Agreement.

18. Mutual Representations and Warranties. Each Party represents and warrants to the other Party that as of the Effective Date and throughout the Term of this Agreement that:

(a) It is duly organized, validly existing and in good standing under the requirements of law of the jurisdiction of its organization or formation and has all requisite power and authority to execute and enter into this Agreement;

(b) Upon receipt of all necessary regulatory approvals, it has all authorizations under all applicable requirements of law, necessary for it to legally perform its obligations and consummate the transactions contemplated hereunder or will obtain such authorization in a timely manner prior to the time that performance by such Party becomes due;

(c) The execution, delivery, and performance of this Agreement will not conflict with or violate any requirement of law or any contract, agreement or arrangement to which it is a party or by which it is otherwise bound;

(d) Upon receipt of all necessary regulatory approvals, this Agreement constitutes a legal, valid, and binding obligation of such Party enforceable against it in accordance with its terms, and such Party has all rights necessary to perform its obligations to the other Party in conformance with the terms and conditions of this Agreement, subject to bankruptcy, insolvency, reorganization and other laws affecting creditor's rights generally and general principles of equity;

(e) It is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether or not this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, is capable of assessing the merits of this Agreement, and understands and accepts the terms, conditions, and risks of this Agreement for fair consideration on an arm's length basis;

(f) No event of default, or any event that with notice or lapse of time or both would become an event of default, has occurred with respect to such Party, and that such Party is not bankrupt and there are no proceedings pending or being contemplated by it, or to its knowledge, threatened against it which would result in it being or becoming bankrupt;

(g) There is no pending, or to its knowledge, threatened legal proceeding at law or equity against it or any affiliate, that materially adversely affects its ability to perform its obligations under this Agreement;

(h) Each person who executes this Agreement on behalf of such Party has full and complete authority to do so, and that such Party will be bound by such execution; and

(i) It will work together with the other Party to effectuate the purposes and goals of this Agreement and take all actions reasonably necessary to that end, whether or not specifically set forth herein.

19. **Indemnification.** Each Party agrees to indemnify and hold harmless the other Party from all liability and expense, including reasonable fees of attorneys, on account of or arising from any and all damages, claims, actions, suits, or liabilities,

including injury to and death of persons, arising from such indemnifying Party's breach of this Agreement or the indemnifying Party's (or its agents' or its employees') fault or negligence or intentional act or omission or failure in the performance of or non-performance of its obligations hereunder.

20. **Limitations on Damages.** Any and all claims for damages by one Party against the other under this Agreement shall be limited to direct damages only. No award of exemplary, punitive, special, consequential or incidental damages is authorized by this Agreement or enforceable against the Parties hereto.

21. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors and assigns.

22. **Severability.** Should any term, covenant, condition or provision of this Agreement be held to be invalid or unenforceable, the balance of this Agreement shall remain in full force and shall stand as if the unenforceable provision did not exist.

23. **Waiver.** Failure by either Party at any time to require performance by the other Party or to claim a breach of any provision of this Agreement will not be construed as a waiver of any subsequent breach, nor affect the binding nature of this Agreement nor any part thereof, nor prejudice either Party with regard to any subsequent action.

24. **Counterparts.** This Agreement may be executed in counterparts (and by different Parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

25. **Joint Preparation.** This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, submittal, drafting, or execution hereof.

26. **Headings.** The paragraph headings of this Agreement are for reference only and shall not be considered in the interpretation of this Agreement.

27. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all other agreements, oral or written, between DEC and PEC prior to the date of this Agreement regarding the subject matter of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by an authorized officer or agent, all as of the date first above written.

**DUKE ENERGY CAROLINAS, LLC
INC.**

By: _____

Name: Alexander J. Weintraub

Title: VP Fuels & System Optimization

PROGRESS ENERGY CAROLINAS,

By: _____

Name: Brett Phipps

Title: Director Fuel Procurement

PEC Released Transportation, Storage or Other Capacity Contracts

Transcontinental Gas Pipe Line ("Transco") - Interstate Pipeline						Maximum Daily Contract or Transportation Quantity (MMBtus/day)												
Service			Receipt Point	Delivery Point	Season	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
Contract#	Shipper	RS	Level															
1042064	Carolina Power & Light	FT	Firm	Zone 3 - Station 65	Zone 5 - Sta 160 & Iredell, NC	Annual	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	
1042064	Carolina Power & Light	FT	Firm	Zone 4 - Destin	Zone 5 - Sta 160 & Iredell, NC	Annual	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	
1042064	Carolina Power & Light	FT	Firm	Zone 3 - Station 65	Zone 5 - Sta 166 & Iredell, NC	Annual	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
9108923	Carolina Power & Light	FT	Firm	Zone 4 - Station 85	Zone 5 - Iredell & Cardinal	Annual	115,000	116,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	
9108023	Carolina Power & Light	FT	Firm	Zone 4 - Station 85	Zone 5 - Grover, Iredell, Cardina	Annual	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	93,000	
East Tennessee Natural Gas Company ("ETNG") - Intrastate Pipeline																		
Service			Receipt Point	Delivery Point	Season	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
Contract#	Shipper	RS	Level															
410103R1	Carolina Power & Light	FT-A	Firm	TETCO @ Hartsville, TN	Transco @ Cascade Creek, NC	Summer												
410103R1	Carolina Power & Light	FT-A	Firm	TETCO @ Hartsville, TN	TENN @ Ridgestop, TN	Winter	40,000	40,000	40,000							40,000	40,000	
410104R1	Carolina Power & Light	FT-A (PT)	Firm	TETCO @ Hartsville, TN	Transco @ Cascade Creek, NC	Summer				10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
410104R1	Carolina Power & Light	FT-A (PT)	Firm	ETNG Nora Lateral, VA	Transco @ Cascade Creek, NC	Summer				20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	
410104R1	Carolina Power & Light	FT-A (PT)	Firm	TETCO @ Hartsville, TN	Transco @ Cascade Creek, NC	Winter	10,000	10,000	10,000							10,000	10,000	
410104R1	Carolina Power & Light	FT-A (PT)	Firm	ETNG Nora Lateral, VA	Transco @ Cascade Creek, NC	Winter	20,000	20,000	20,000							20,000	20,000	
410135R2	Carolina Power & Light	FT-A (PT)	Firm	ETNG Nora Lateral, VA	Transco @ Cascade Creek, NC	Summer				30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	
410135R2	Carolina Power & Light	FT-A (PT)	Firm	Transco @ Cascade Creek, NC	Saltville Gas Storage, VA	Winter	30,000	30,000	30,000							30,000	30,000	
Total							100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
Texas Eastern Transmission Corporation ("TETCO") - Interstate Pipeline																		
Service			Receipt Point	Delivery Point	Season	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
Contract#	Shipper	RS	Level															
910429R1	Carolina Power & Light	FT-1	Firm	TETCO ELA Pool	ETNG @ Hartsville, TN (M-1)	Summer				50,782	50,782	50,782	50,782	50,782	50,782	10,150	10,150	
910429R1	Carolina Power & Light	FT-1	Firm	TETCO ELA Pool	ETNG @ Hartsville, TN (M-1)	Winter	10,150	10,150	10,150									
Saltville Gas Storage Company																		
Contract#	Shipper	RS	Level	Receipt Point	Delivery Point	Season	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
CP&L00783S	Carolina Power & Light	FSS	Firm	East Tenn Injection	East Tenn	Annual	203,050	203,050	203,050	203,050	203,050	203,050	203,050	203,050	203,050	203,050	203,050	203,050
				Withdrawal		Annual	10,153	10,153	10,153	10,153	10,153	10,153	10,153	10,153	10,153	10,153	10,153	10,153
							20,305	20,305	20,305	20,305	20,305	20,305	20,305	20,305	20,305	20,305	20,305	20,305
Saltville Gas Storage Company																		
Contract#	Shipper	RS	Level	Receipt Point	Delivery Point	Season	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
CP&L00256S	Carolina Power & Light	FSS	Firm	East Tenn Injection	East Tenn	Summer	-	-	-	304,570	304,570	304,570	304,570	304,570	304,570	304,570	-	-
				Withdrawal		Summer	-	-	-	15,229	15,229	15,229	15,229	15,229	15,229	15,229	-	-
						Summer	-	-	-	30,457	30,457	30,457	30,457	30,457	30,457	30,457	-	-

DEC Transportation and Storage Contracts

Transcontinental Gas Pipe Line ("Transco") - Interstate Pipeline

[illegible]

East Tennessee Natural Gas Company ("ETNG") - Interstate Pipeline

[illegible]

Texas Eastern Transmission Corporation ("TETCO") - Interstate Pipeline

[illegible]

Saltville Gas Storage Company

Contract#	Shipper	RS	Service Level	Receipt Point	Delivery Point	Season
420075	Duke Energy Carolinas	ISS	Interruptible	East Tenn	East Tenn	Annual
						Injection
						Withdrawal
						Jan
						Feb
						March
						April
						May
						June
						July
						Aug
						Sept
						Oct
						Nov
						Dec

Attachment C
CONFIDENTIAL - DEC Executed NAESB

Supplier	Percentage of Sales
Supplier 1	35%
Supplier 2	32%
Supplier 3	28%
Supplier 4	25%
Supplier 5	22%
Supplier 6	18%
Supplier 7	15%
Supplier 8	12%
Supplier 9	10%
Supplier 10	8%
Supplier 11	7%
Supplier 12	6%
Supplier 13	5%
Supplier 14	4%
Supplier 15	3%
Supplier 16	2%
Supplier 17	1%
Supplier 18	1%
Supplier 19	1%
Supplier 20	1%
Supplier 21	1%
Supplier 22	1%
Supplier 23	1%
Supplier 24	1%
Supplier 25	1%
Supplier 26	1%
Supplier 27	1%
Supplier 28	1%
Supplier 29	1%
Supplier 30	1%

Attachment E

Cost Allocation Methodology

The costs associated with the transportation, storage, and gas supply assets that are the subject to the Asset Management and Delivered Supply Agreement executed on _____ 2012, shall be allocated to DEC and PEC based on the following methodologies:

1. **Costs of Gas Supply and Variable Transportation Costs:**
 - (a) All costs of physical natural gas supply and all variable transportation costs incurred will be allocated based on DEC's and PEC's plants' pro rata share of the overall Carolina gas plant burns for the respective month. Neither DEC nor PEC shall be allocated take or pay charges for gas supply contracts that do not belong to it unless it uses gas supply from that contract.
 - (b) Variable transportation contract costs on LDC systems (Piedmont, PSNC) and Carolina Gas Transmission (CGT) will be allocated to DEC or PEC as applicable based on each plant receiving deliveries as these contracts are dedicated transportation costs attributable to specific DEC-and PEC-owned plants.
2. **Fixed Transportation Costs:**
 - (a) All fixed transportation costs for dedicated transportation arrangements will be allocated to DEC or PEC as applicable based on (i) LDC systems (Piedmont, PSNC), and (ii) CGT, where the underlying transportation agreement is dedicated to serve specified DEC- and PEC-owned plants on the respective pipeline systems.
 - (b) All fixed costs for upstream transportation and storage capacity (Transco, Texas Eastern, East Tennessee, and Saltville) incurred after any third party sales on upstream interstate pipelines have been netted during each month will be allocated to DEC and PEC based on the burns from its Carolinas plants' as a pro rata share of the overall Carolina gas plant burns for the two companies. Neither DEC nor PEC shall be allocated more cost in any month than the cost of upstream transportation and storage capacity for contracts that belong to it unless either DEC or PEC used the capacity of the other utility. If either DEC or PEC uses the capacity of the other utility, the monthly cost of upstream transportation and storage capacity allocated to DEC or PEC in excess of the cost for the contracts that belong to it shall be determined based on the cost of the transportation or storage capacity.

3. Imbalance Settlements:

- (a) Imbalance settlements on upstream transportation pipelines (Transco, Texas Eastern, East Tennessee) will be allocated based on DEC's and PEC's plants' pro rata share of overall Carolina plant burns for the respective month.
- (b) Imbalance settlements will be allocated to DEC or PEC as applicable for dedicated transportation arrangements on (i) LDC systems (Piedmont, PSNC), and (ii) CGT, where the underlying transportation agreement is dedicated to serve specified DEC- and PEC-owned plants on the respective pipeline systems.